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*Attorneys for the Official Committee of Equity  
 Security Holders of USA Capital Diversified Trust  
 Deed Fund, LLC*

**UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF NEVADA**

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED  
 FUND, LLC,  
 Debtor.

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**Affects:**

- ☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under  
 Case No. BK-S-06-10725-LBR

**DIVERSIFIED TRUST DEED  
 FUND COMMITTEE'S OPPOSITION  
 TO THE U.S. TRUSTEE'S MOTION  
 TO CONVERT CASES TO CASES  
 UNDER CHAPTER 7**

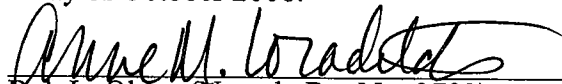
Date: October 30, 2006  
 Time: 9:30 a.m.  
 Courtroom: 1

The Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC (the "DTDF Committee"), hereby submits its opposition to The United States Trustee's Motion To Convert Cases To Proceedings Under Chapter 7 ("Motion") and requests that the Court deny the Motion.

1 The DTDF Committee has reviewed the responses to the Motion prepared by the Debtors,  
 2 by the First Trust Deed Fund Committee and by the Unsecured Creditors Committee. It also has  
 3 reviewed the various declarations in support of such pleadings. The DTDF Committee agrees  
 4 that cause does not exist to convert the Chapter 11 Cases to cases under chapter 7. More  
 5 importantly, however, the DTDF Committee agrees that even if cause did exist, the unusual  
 6 circumstances of these Chapter 11 Cases warrant denial of the Motion, as conversion is not in the  
 7 best interests of the creditors and the estates. Bankruptcy Code § 1112(b)(1).

8 The Debtors, working with the four official committees, have made tremendous progress  
 9 towards the sale of their assets to Silver Point in an auction sale subject to overbid -- which all of  
 10 the estates hope will result in substantially higher proceeds for the benefit of creditors and equity  
 11 holders than would a chapter 7 liquidation of the same assets. Moreover, the Debtors and the four  
 12 committees have devoted significant time, effort and energy, and have made substantial progress,  
 13 towards negotiating a consensual plan of liquidation for the benefit of all of the Debtors'  
 14 constituencies. The months of hard work spent by the Debtors and the four committees would be  
 15 utterly wasted were the Chapter 11 Cases converted now, and the result would be that there will  
 16 be substantially fewer assets available for distribution to creditors and investors due, in large part,  
 17 to the dramatically higher costs involved in the transition to and the operation of chapter 7 cases.  
 18 Plus, any distribution would be delayed. Simply put, the Committee believes that conversion at  
 19 this crucial juncture would be disastrous. Accordingly, the Committee requests that the Court  
 20 deny the Motion.

21 Respectfully submitted this 27th day of October 2006.

22 

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